

Washington, D.C. - Today, Congressman Joe Sestak (PA – 07) voted in support of the Alternative Minimum Tax (AMT) Relief Act of 2008, which would provide more than 20 million families with tax relief in 2008 by extending AMT relief for nonrefundable personal credits and increasing the AMT exemption amount to \$69,950 for joint filers and \$46,200 for individuals. The AMT was initially intended in 1968 to increase tax payments for the very rich after it was revealed that 155 wealthy taxpayers paid no taxes on their 1967 returns. The current AMT, not adjusted for inflation, has strayed far from those original goals and today threatens to add an average of \$2,400 in tax liability for hardworking American families. This legislation passed the House 233-189. — In 2006, thanks to Congressional intervention similar to the legislation passed today, 76,600 families in the 7th Congressional District avoided being impacted by the AMT. In 2008, according to the House Committee on Ways and Means, 98,266 families are projected to be impacted by the tax- 5,166 more than just two years ago.

“With fuel and food prices on the rise, and middle-class Americans struggling to make ends meet, this legislation will provide welcome relief by extending Alternative Minimum Tax benefits to families who deserve a fair tax system,” said Congressman Sestak. “Furthermore, this relief is provided under a responsible, pay-as-you-go process that fully offsets costs so that we do not incur further debt.”

This legislation, which passed the House 233-189, raises funds to pay for the tax relief by closing loopholes. For instance, this bill prevents the taxation of carried interest as ordinary income as it stops investment fund managers from paying taxes at capital gains rates on investment management services income. It also freezes a tax deduction for oil companies, which is a scaled-back version of the provision proposing outright repeal of the deduction in the energy bill that passed the House of Representatives last December, with the support of 36 House Republicans. At a time when oil companies are turning record profits, families should not face financial strains so that large oil companies can receive a form of subsidies that was ruled to be illegal by the World Trade Organization.

In addition, the bill would also prevent foreign multinational corporations from avoiding tax on income earned in the United States by routing their income through countries that have a tax treaty or tax haven; and, applies a levy to property sold or leased to the federal government by lenders.

After voting for this legislation, Congressman Sestak noted that “this Act further ensures the economic security of American families while maintaining the commitment to fiscal responsibility

in Washington.”

Born and raised in Delaware County, former 3-star Admiral Joe Sestak served in the Navy for 31 years and now serves as the Representative from the 7th District of Pennsylvania. He led a series of operational commands at sea, including Commander of an aircraft carrier battle group of 30 U.S. and allied ships with over 15,000 sailors and 100 aircraft that conducted operations in Afghanistan and Iraq. After 9/11, Joe was the first Director of "Deep Blue," the Navy's anti-terrorism unit that established strategic and operations policies for the "Global War on Terrorism." He served as President Clinton's Director for Defense Policy at the National Security Council in the White House, and holds a Ph.D. in Political Economy and Government from Harvard University. According to the office of the House Historian, Joe is the highest-ranking former military officer ever elected to the Congress.

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